

VOTE YES ON SB 218

This bill is very simple. It's about who should pay for clean up and water treatment after mining: the mining company or the taxpayer? Reclamation bonds for mines are intended to provide financial guarantees to the state and taxpayer that adequate funds are in place for reclamation and water treatment in the event the mining company files for bankruptcy or otherwise can't pay for cleanup. Adequate reclamation bonds are particularly critical for mines with sulfide mineralization because they can result in acid mine drainage that requires costly water treatment to protect fish, water supplies, and public health.

- **Taxpayers have repeatedly been left to cover the cost of clean up at modern Montana mines.** For example, at the Beal Mountain Mine near Anaconda, roughly \$12.8 million in public funds has already been spent for reclamation and water treatment: approximately \$6-7 million by the State and the rest by the Forest Service.¹ An additional \$39 million is needed for full clean up at the mine.²
- **Adequate reclamation bonds are particularly critical for mines with sulfide mineralization because they often result in acid mine drainage that requires costly water treatment to protect fish, water supplies, and public health.** Acid mine drainage forms when sulfide minerals exposed by mining react with water and oxygen to create sulfuric acid. This acid can leach toxic metals from the surrounding rock and enter nearby streams and rivers, if uncontrolled.
- **Acid mine drainage can continue for hundreds of years, requiring costly water treatment long after mining has ended.**² A recent review of the scientific literature, concluded that "no hard rock surface mines exist today that can demonstrate that acid mine drainage can be stopped once it occurs on a large scale."³
- **Montana has already been left with enormous water treatment costs as a result of acid mine drainage from modern mines with sulfide mineralization.** At the Zortman Landusky mine, water treatment for acid mine drainage will be required in perpetuity. As of August 2014, a total of \$69.3 million has been spent on reclamation and water treatment at



Acid mine drainage at Zortman.

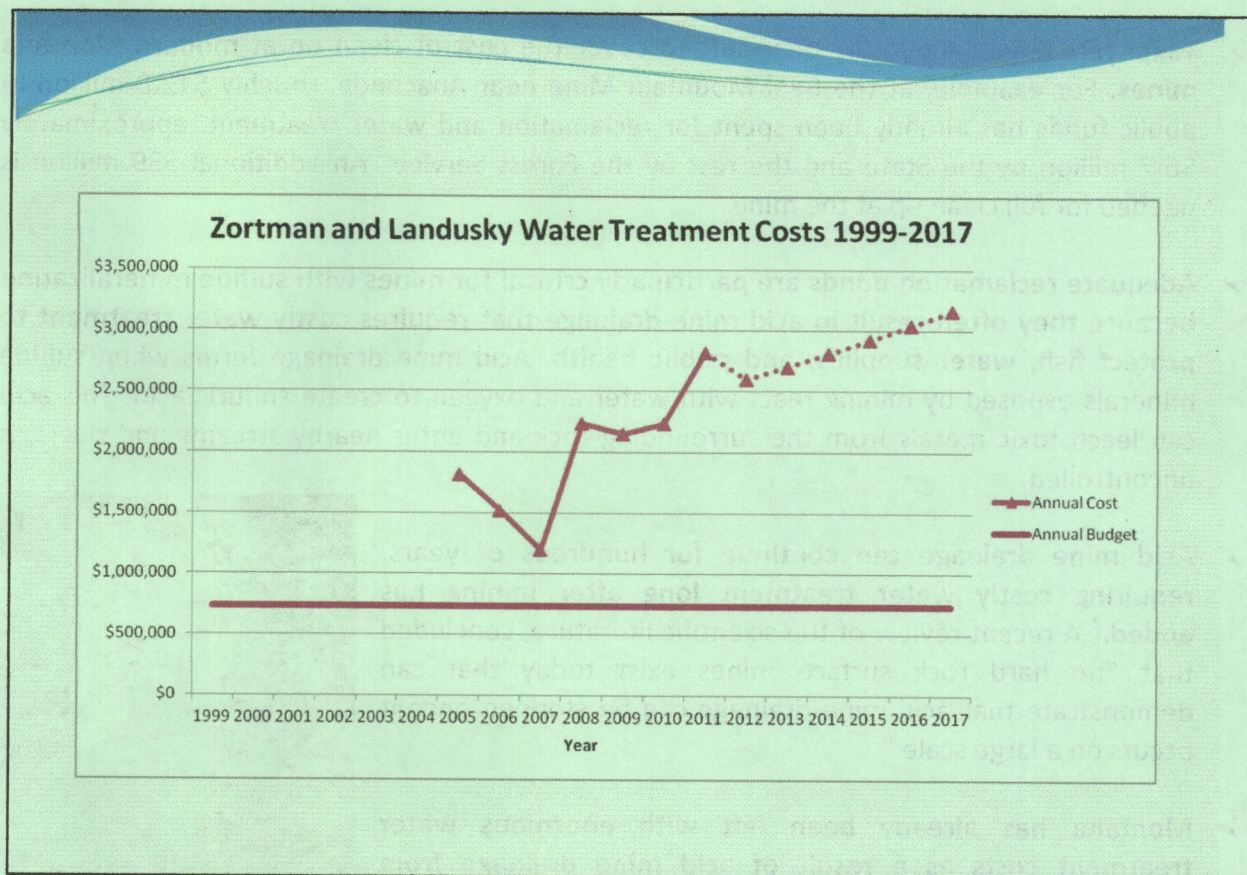
¹ U.S. Forest Service, Bob Wintergrerst, Annual Beal Mountain Reclamation Update, July 2014.

² U.S. Department of Agriculture, Engineering Evaluation/Cost Analysis: Beal Mountain Mine, Beaverhead Deerlodge National Forest, March 2010.

³ Jennings, S.R., Neuman, D.R. and Blicher, P.S. (2008). "Acid Mine Drainage and Effects on Fish Health and Ecology: A Review." Reclamation Research Group Publication, Bozeman MT.

this mine, with no end in sight for ongoing costs.⁴ Of the total, \$23.6 million has been paid with public funds.⁵

- **Despite the enormous cost to taxpayers from inadequate reclamation bonds, modern Montana mines continue to be under-bonded.** For example, the existing bond at the Troy Mine is \$12 million, yet a recent agency memo estimates the liability for clean up at \$29 million – a shortfall of \$17 million.⁶ At the Kendall Mine near Lewistown, although DEQ has repeatedly found that the existing reclamation bond does not cover reclamation and long-term water treatment costs, the company has failed to provide an increased bond.⁷



For more information, please contact: Jim Kuipers, P.E., Kuipers and Associates, 689-3464; Bruce Farling or Mark Aagenes, Montana Trout Unlimited; 543-0054; Derf Johnson, MEIC, 443-2520; or Bonnie Gestring, Earthworks, 549-7361

⁴ Funding summary of Zortman Landusky expenses from 1999-August 2014, provided by Tom Livers, MTDEQ.

⁵ Ibid.

⁶ U.S. Forest Service, Memorandum from Bobbie Lacklen, USFS to Herb Rolfes, MTDEQ, Troy Mine Bond Line Items, April 10 2013.

⁷ Independent Record, "State: Mine must pay \$12.3 Million, August 22, 2000; Billings Gazette, "We all pay for the messy practices of mining," December 7, 2000.